

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Global Expedited Package Services 3 (MC2010-28)  
Negotiated Service Agreement

Docket Nos. CP2012-30

PUBLIC REPRESENTATIVE COMMENTS

(May 30, 2012)

In response to Order No. 1352<sup>1</sup>, the Public Representative hereby comments on the May 21, 2012 Notice of United States Postal Service of a Functionally Equivalent GEPS 3 Negotiated Service Agreement (Notice).

The Postal Service Notice is persuasive. This NSA is consistent with the policies of 39 U.S.C. 3632, with regard to Action of the Governors; section 3622, Modern rate regulation; and section 3642, with regard to adding new products to the Mail Classification List, notice and publication. In addition each pertinent element of 39 USC 3633(a) appears to be met by this GEPS 3 contract. Likewise, this NSA comports with each of the requirements of 39 C.F.R. 3015.7(c).

**Pricing, Cost Coverage and Contribution**

The GEPS NSA model provides incentives for a mailer sending large volumes of EMI and/or PMI to foreign addressees. The instant contract's pricing reflect appropriate increases in costs, yet still comports with the template in Governors' Decision 08-7 (May

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<sup>1</sup> Commission Order 1352, Notice and Order Concerning Filing of Additional Global Expedited Package Services 3 Negotiated Service Agreement, May 23, 2012 (Order No 1352).

6, 2008), which established the GEPS product. The Notice outlines terms of the instant contract which were negotiated between the parties, and vary somewhat from the underlying GEPS NSA template. The terms of the instant agreement does not appear to be significant enough to make this agreement not functionally equivalent with prior GEPS contracts.

## Conclusion

The Public Representative, after accessing and reviewing all materials the United States Postal Service submitted under seal in this matter, acknowledges that the pricing in the present GEPS 3 contract comports with relevant provisions of title 39. This contract appears able to generate sufficient revenue to cover their attributable costs, enables competitive products as a whole to cover their costs, and contribute a minimum of 5.5 percent to the Postal Service's total institutional costs.<sup>2</sup> This contract employs pricing incentives based upon volumes and other provisions favorable to the Postal Service the NSA Partner and the public.

The Public Representative respectfully submits the preceding Comments for the Commission's consideration.

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<sup>2</sup> 39 C.F.R. § 3015.7(c).